



UPPER MERION & PLYMOUTH RAILROAD COMPANY

Box 404

CONSHOHOCKEN, PA.. 19428

TELEPHONE: (215) 275-2066

No. 0-308A064

Date NOV 3 1980

Fee \$ 50.00

ICC Washington, D. C.

October 31, 1980

12384

RECORDATION NO. 12384 Filed 1425

NOV 3 1980 - 1 45 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 12384 Filed 1425

Secretary
Interstate Commerce Commission
Washington, DC 20423

NOV 3 1980 - 1 45 PM

INTERSTATE COMMERCE COMMISSION

Dear Sir:

Enclosed for recordation under the provisions of Section 20c of the Interstate Commerce Act and the regulations promulgated thereunder, as amended, are the original and two counterparts of a Security Agreement dated as of December 18, 1979 and a Lease Agreement dated as of December 18, 1979.

A general description of the railroad equipment covered by the enclosed documents is as follows:

Fifty (50) 70-ton 50'6" railroad boxcars bearing reporting marks and numbers PARY 14000-14049 inclusive.

The names and addresses of the parties to the enclosed documents are:

A. Security Agreement

DEBTOR: Prairie Trunk Railway
80 E. Jackson Blvd.
Chicago, IL 60604

SECURED PARTY: Upper Merion and Plymouth Railroad Company
P.O. Box 404
Conshohocken, PA 19428

B. Lease Agreement

LESSOR: Upper Merion and Plymouth Railroad Company
P.O. Box 404
Conshohocken, PA 19428

LESSEE: Prairie Trunk Railway
80 E. Jackson Blvd.
Chicago, IL 60604

NOV 4 1 39 AM '80
I.C.C.
FEDERAL OPERATION SR.

CT. Kappeler
Colman

The undersigned is the Assistant Secretary of the Secured Party and Lessor mentioned in the enclosed documents and has knowledge of the matters set forth therein.


Please return the original of the enclosed Security Agreement and Lease Agreement to Charles Kappler, Esq., Alvord and Alvord, 200 World Center Building, 918 Sixteenth Street, N.W., Washington, DC 20006, or to the bearer hereof.

Also enclosed is a remittance in the amount of the required recording fees.

Very truly yours,

UPPER MERION AND PLYMOUTH
RAILROAD COMPANY

By


John F. McEnery
Assistant Secretary

JFM/vjs

B/WK35

Interstate Commerce Commission
Washington, D.C. 20423

117#?*)
11/3/80

OFFICE OF THE SECRETARY

Charles Kappler, Esq.
Alvord & Alvord
200 World Center Building
918 16th Street, N.W.
Washington, D.C. 20006

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/3/80 at 1:45pm, and assigned re-recording number(s). 12384 & 12384-A

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

12384
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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Dated as of December 18,, 1979

BETWEEN

UPPER MERION AND PLYMOUTH RAILROAD COMPANY

("SECURED PARTY")

AND

PRAIRIE TRUNK RAILWAY

("DEBTOR")

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is entered into as of the 18th day of December, 19 79, by and between UPPER MERION AND PLYMOUTH RAILROAD COMPANY (the "Secured Party") and PRAIRIE TRUNK RAILWAY (the "Debtor").

WHEREAS, the parties hereto propose to enter into a certain Lease Agreement (the "Lease") of even date herewith between Secured Party as lessor and Debtor as lessee, whereby Debtor will lease from and manage for the Secured Party certain items of railroad equipment (collectively, the "Equipment" and individually, an "Item of Equipment"). Said Equipment is more fully described on Schedule A attached hereto and may be amended from time to time with the consent of both parties hereto.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do agree as follows:

1. Security Interest. In order to induce Secured Party to enter into the Lease and to secure the obligations of Debtor to Secured Party under the Lease, whether now existing or hereafter incurred and as may be amended from time to time, Debtor hereby grants to Secured Party as security interest in the Collateral described below.

2. Collateral. The Collateral referred to in Paragraph 1 above is Lessee's leasehold interest in the Equipment and all of its right, title and interest in and to all accounts, chattel paper, contract rights, general intangibles, instruments, per diem and incentive per diem charges, mileage charges, income, revenue and other proceeds arising therefrom or in connection therewith or in connection with the use, lease, operation, control or possession of the Equipment.

3. Covenants. Debtor covenants and represents as follows:

(a) Debtor will warrant and defend the Collateral against the claims and demands of all persons.

(b) Debtor shall execute and deliver UCC-1 financing statements or other documents required by Secured Party to perfect its security interest in the Collateral.

4. Representations and Warranties of Debtor. Debtor represents and warrants as follows:

(a) Debtor is a corporation legally incorporated, validly existing and in good standing under the laws of the state of its incorporation, with adequate corporate powers to own its

properties, to carry on its business as now conducted and to enter the Security Agreement and to execute and deliver the Lease Agreement.

(b) The Lease and Security Agreement have been duly authorized, executed and delivered by Debtor and constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their respective terms.

5. Default. Any misrepresentation on the part of Debtor herein or any noncompliance or nonperformance of Debtor's obligations hereunder or the occurrence of an Event of Default under the Lease shall constitute a default hereunder.

6. Remedies. Upon the occurrence of a default hereunder, Secured Party shall have all the rights provided under the Interstate Commerce Act and under the Uniform Commercial Code as adopted in Pennsylvania.

7. Inspection of Records. Secured Party may at any reasonable time, enter upon Debtor's premises to inspect Debtor's books and records pertaining to the Collateral, and Debtor shall, if requested, assist Secured Party in making such inspections.

8. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

9. Benefits. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ATTEST:

Joseph I. Hallman
Vice President - Controller

UPPER MERION AND PLYMOUTH
RAILROAD COMPANY

By

J. N. Bell
Title: Vice President and General Manager

ATTEST:

Thomas W. Leach
Asst. Secretary

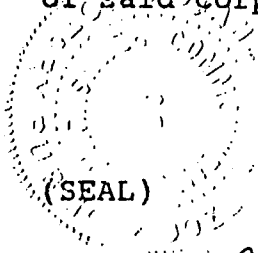
PRAIRIE TRUNK RAILWAY
Debtor

By

Craig E. Burroughs
Title: PRESIDENT

STATE OF PENNA.)
COUNTY OF MONTGOMERY) SS:

On this 18th day of December, 1979, before me, personally appeared J. N. BALL, to me personally known, who being by me duly sworn, says that he is a Vice Pres., Gen Mgr. of Upper Merion and Plymouth Railroad Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Diane E. Hertzog
Notary Public

DIANE E. HERTZOG, Notary Public
Norristown, Montgomery Co., PA
My Commission Expires May 12, 1980

STATE OF Illinois)
COUNTY OF Gallatin) SS:

On this 14th day of January, 1980, before me, personally appeared GRAIG E. BURROUGHS, to me personally known, who being by me duly sworn, says that he is a PRESIDENT OF PRAIRIE TRUNK RAILWAY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mabel Brown
Notary Public

(SEAL)

SCHEDULE A

DESCRIPTION OF EQUIPMENT: Fifty XM Boxcars - 50', 70 Ton

REPORTING NUMBERS AND MARKS: PARY 14000 - 14049